

COMPLAINT REGULATION FOR SALE OF CHEMICAL SUBSTANCES

(hereinafter referred to as the "Merchandise")

Corporation: **AG CHEMI GROUP s.r.o.**, company number: 615 08 195, registered address: Praha 6 – Liboc, Rybničná 18/1, P.C.162 00 (hereinafter referred to as the "Seller")

Resume

1. Lodging a Complaint about a Defect of the Purchased Merchandise	1
2. Handover of Merchandise, Destination of Merchandise	3
3. Quality on Delivery	3
4. Exclusion of Liability of this Seller in Case of a Defect	3
5. Term for Lodging the Complaint	4
6. Procedure: Lodging a Complaint	4
7. Procedure of Resolving Complaints, Time Frame	6
8. Dispute Resolution	7
9. Final Provisions.....	7

1. Lodging a Complaint about a Defect of the Purchased Merchandise

- 1.1. Rights of Buyers (a business entity or sole proprietor) arising from a defect (hereinafter referred to as the "complaint") must always be lodged in compliance with this Regulation. Seller shall inform the Buyers of this Regulation especially by mentioning the Regulation is on web portal www.agchemigroup.eu. If the purchased Merchandise suffers from a defect, Buyer has the right to lodge a complaint with the Seller at the address of the registered office of the Seller or registered place of business, via contact telephone +420 774 192 268, via contact email customer.service@agchemigroup.eu. Buyer shall state in what exactly the defect is found and what it is that is being sought in this complaint procedure, and this shall be taken note of in the **Record of Complaint**.
- 1.2. The right of the Buyer occurs upon an appearance of a defect that the Merchandise suffers from at the moment of the transfer of danger of damage to the Buyer, even if the defect should express itself later. The right of the Buyer also occurs if a defect appears later, but the Seller caused it by violating an obligation. Obligations of this Seller arising from the quality warranty are not affected thereby.

1.3. **Buyer shall make an inspection of the Merchandise, according to possibilities, as soon as the danger of damage passes on to the Buyer, and shall check the attributes and quantity of the Merchandise.** If the Seller sends the Merchandise, the Buyer may postpone the inspection until the moment the Merchandise is delivered to destination. The danger of damage to the Merchandise passes on to the Buyer at the moment the Buyer takes over the Merchandise.

1.4. Defects the Merchandise suffer from may be either **quantitative** or **qualitative**.

Quantitative defects: discrepancy between the amount or volume of delivered Merchandise and the amount or volume of ordered Merchandise.

Qualitative defects: apparent or hidden defects.

1.5. If the defect is **a substantial breach of contract**, the Buyer has the right to:

- a) have Merchandise without that defect, whereas new Merchandise shall be delivered and this new Merchandise shall not suffer from that defect, or a missing volume or number of Merchandise shall be delivered,
- b) a reasonable discount from the price, or
- c) immediately back out of the contract.

The Buyer shall notify the Seller if the choice is: a), b) or c), and shall do so while lodging the complaint, or without unnecessary delay after the existence of the defect is notified to the Seller. The Buyer cannot change the choice once made unless the Seller agrees. If the Seller fails to correct the defect in a reasonable time frame, or if the Seller notifies the Buyer that the defect cannot be corrected, the Buyer may require, instead of correction of the defect, a reasonable discount from price, or the Buyer has the right to immediately back out of the contract. If the Buyer fails to make a choice in time, then the Buyer has rights pertaining to a case where the defect is not a substantial breach of contract.

1.6. If the defect is **not a substantial breach of contract**, the Buyer has the right to:

- a) have the defect corrected, or
- b) a reasonable discount from the price.

Until the moment the Buyer exercises the right to a discount from the price or the right to immediately back out of the contract, the Seller has the right to supply whatever was missing, or correct a legal defect. Other defects: the Seller may correct them by repair or by supplying new Merchandise; the choice must not cause any unreasonable costs to detriment of the Buyer.

If the Seller fails to correct the defect in time, or refuses to correct the defect, the Buyer may require a discount from the price, or the Buyer may back out of the contract. The Buyer cannot change the choice once made unless the Seller agrees.

2. Handover of Merchandise, Destination of Merchandise

- 2.1. Handover of Merchandise: the moment the Merchandise is delivered by the Seller in its destination, i.e. the place the Buyer and the Seller agreed is the place of delivery of the Merchandise and is the place where the Buyer agreed to pick the Merchandise up (e.g. the warehouse of the Buyer).

3. Quality on Delivery

- 3.1. Seller declares that as at the exact moment of the delivery of the Merchandise:
- The Merchandise has the attributes the Buyer and the Seller agreed upon, and if such a provision is missing then it has the attributes that the Seller of the producer of the Merchandise described or that the Buyer expected given the nature of the Merchandise defined by parameters of classes of goods
 - The Merchandise is fit for the purpose the Seller states for the Merchandise or the for the purpose the Merchandise is usually used
 - The Merchandise is in the relevant quantity or tonnage
 - The Merchandise is in compliance with the laws.

If the Merchandise fails to correspond to the above made warranties of the Seller, the Buyer has the rights set forth in Article 1 of this Regulation.

4. Exclusion of Liability of this Seller in Case of a Defect

- 4.1. This Seller is not liable for a defect in these cases:
- The defect was caused by the Buyer
 - The defect occurred as a consequence of wrong storing or warehousing by the Buyer
 - The defect was caused by an act of the Buyer or by mechanical damage caused by the Buyer
 - The defect was caused by outward event outside the control of this Seller.

Seller is not liable for extension of scope of damage if the Buyer goes on using the defective Merchandise while knowing about the defect. Seller is not liable for extra costs incurred by the Buyer (e.g. damage to equipment) if the Buyer goes on using the defective Merchandise while knowing about the defect.

Buyer cannot lodge a complaint about a defect that was already complained about in the past as long as reasonable discount from the price was provided in that respect.

Seller hereby further excludes any liability as to these defects, whereby no rights regarding lodging a complaint shall apply: mechanical damage to the Merchandise by the Buyer, all other defects complained about by the Buyer where it is clear these defects could not have existed at the Handover of Merchandise.

Buyer has no right arising from defective Merchandise if the Buyer knew before the Handover of Merchandise that the Merchandise is defective, or where the Buyer caused the defect.

5. Term for Lodging the Complaint

- 5.1. Lodging the complaint on the grounds of wrong **quantity of the Merchandise** must be made towards the Seller **within 10 days since the Handover of Merchandise**, the method employed must be in compliance with the terms and conditions set forth in this Regulation.
- 5.2. Lodging the complaint on the grounds of wrong **quality of the Merchandise (apparent defects)** must be made towards the Seller **within 10 days since the Handover of Merchandise**, the method employed must be in compliance with the terms and conditions set forth in this Regulation.
- 5.3. Lodging the complaint on the grounds of wrong **quality of the Merchandise (hidden defects)** must be made towards the Seller **within 10 days since the moment the Buyer could have found the defect if employing due care**, but not later than within the term set forth in the law commencing at the Handover of Merchandise, unless there was a substantial change in the delivered Merchandise caused by the Seller, and the method employed must be in compliance with the terms and conditions set forth in this Regulation.
- 5.4. A requirement of lodging a complaint about a defect in the Merchandise is complaining about the Merchandise based on objective and material findings.

Seller shall deny a lodged complaint as long as the complaint was not lodged in time or was pertaining to a defect that clearly did not exist at the at the Handover of Merchandise.

If the Buyer fails to describe the defect in time, the right to immediately back out of the contract expires.

6. Procedure: Lodging a Complaint

- 6.1. Buyer shall prove he/she/it has the right to lodge a complaint. Buyer, in order to lodge a complaint, shall draft and sign a **Record of Complaint**. Buyers may use the form of **Record of Complaint** available from the Seller, and may also use one of his/her/its own making.

Required items in the Record of Complaint:

We hereby declare that in the delivery according to the international bill of lading number, delivery note number..... charge number We found these following defects: *(Buyer shall describe the found defects)*:

Method of finding the defect:

Volume/amount of Merchandise, netto:

Volume/amount of Merchandise to be returned based on a weight bill:

What is it the Buyer requests:

Enclosures:

international bill of lading, two photographs of visibly labelled Merchandise and of the defect(s), receipts regarding extra costs (in case the Buyer claims extra costs incurred in connection with delivery of defective Merchandise)

Place, date, exact time

Name, position, email, telephone, stamp or seal, signature on behalf of the Buyer:

- 6.2. Buyer shall send the Record of Complaint via email at this email of the Seller: customer.service@agchemigroup.eu and shall also inform the Seller via phone at this number: +420 774 192 268, to inform the Seller of the sending of the email.
- 6.3. If the Buyer, having inspected the Merchandise, decides to return the Merchandise (or part(s) thereof) to the Seller, the exact weight of the Merchandise (or part(s) thereof) to be returned must be ascertained, and that must be stated **in the weight bill and international bill of lading**.
- 6.4. If the Buyer returns the Merchandise (or part(s) thereof) to the Seller **immediately** upon Handover of Merchandise, the Buyer must ascertain the exact weight of the Merchandise (or part(s) thereof) and state it **in the weight bill and the copy of the international bill of lading for the Seller**. The weight bill and the international bill of lading are binding support documents for billing.

If the Buyer fails to draft the **weight bill**, then the Seller will ascertain the exact weight of the Merchandise (or part(s) thereof) upon the returning of the Merchandise (or part(s) thereof) from the Buyer.

If the Seller finds, from the weight bill drafted by the Seller, that there is a difference in the returned Merchandise and the weight of the Merchandise stated in the international bill of lading as at the moment of delivery of the Merchandise to the Buyer, the Buyer shall pay to the Seller the volume of the difference so found. The Buyer hereby agrees with this procedure.

- 6.5. **Only a complaint lodged in accordance with this Complaint Regulation, thus upon a drafting of the Record of Complaint, one that contains all the required items described in this Article 6, plus after informing the Seller of the drafting of the Record of Complaint in accordance with the described procedure and in the described time frame shall be deemed a due and timely lodging of a complaint.**

In all other cases (especially where the complaint is lodged after the described time frame or where the Record of Complaint does not contain items described in this Complaint Regulation) the complaint shall be deemed unlawful and shall be deemed as non-lodged.

7. Procedure of Resolving Complaints, Time Frame

- 7.1. Seller shall react to the Record of Complaint in a written letter, and shall do so within three business days since receiving the Record of Complaint. In this written letter, the Seller shall specify the method of resolving the complaint and the time frame.
- 7.2. Seller shall resolve whether the lodged complaint is lawful based on own inspections and investigations. If the defect needs professional analysis, the Seller has the right to have the defect analysed by a **professional assessor** – namely this corporation: **BUREAU VERITAS CZECH REPUBLIC, spol. s r.o., company number: 261 65 007, or this corporation: SGS Czech Republic, s.r.o., company number: 485 89 241 or eventually BUREAU VERITAS or SGS with the registered address in the country where the Buyer has its registered address.** The buyer is obliged to provide the professional assessor during performance of inspection and investigation with all possible cooperation. Buyer shall, on his / her / its own costs, participate in the inspection and investigation performed by the professional assessor. Should the Buyer fail to participate in the inspection and investigation performed by the professional assessor, then the findings of the professional assessor are automatically binding on the Buyer. The resolution as to the lodged complaint shall be made, in case of the inspection and investigation performed by the professional assessor, based on a record drafted by the professional assessor.
- 7.3. Seller shall resolve whether the lodged complaint was lawful within **15 days** since receiving the Record of Complaint, if based on the inspections and investigations of the Seller, or within **15 days** since the professional assessor delivers the record of performed inspection and investigation.
- 7.4. If exercising the rights arising from defective Merchandise should cause significant difficulties, especially because the Merchandise cannot be transported to the place where the complaint is to be lodged (to the Seller) in a common method, the Seller shall analyse the defect, upon agreement of the Buyer, on spot, or in an alternative method. In such a case the Buyer shall provide to this Seller all necessary cooperation, especially shall make possible the taking of a control sample of the Merchandise.
- 7.5. If the last day of any time frame or term herein is a Saturday, a Sunday or an official holiday, then the last day of the time frame or term is the first business day following immediately thereafter. This time frame or term does not include the time necessary for professional assessment of the defect. Seller shall inform the Buyer of the professional assessment without any undue delay.
- 7.6. A record shall be drafted as to the resolution of the lodged complaint, and it shall contain the solution of the **lawful** complaint. Seller bears all costs of resolution of a lawful complaint.

- 7.7. If the lodged complaint is not lawful, all extra costs incurred by the Seller in connection with the inspection and investigation and return of the Merchandise shall be billed to the Buyer, plus 0.1% of the price of the complaint for administrative costs.

8. Dispute Resolution

- 8.1. If a dispute arises between the Seller and the Buyer as to the method or resolution of the lodged complaint, or as to the legal relationships thereto related, the Buyer and the Seller shall try to resolve the dispute upon mutual agreement. If this fails and the dispute remains unresolved, the Buyer may or the Seller may lodge a court petition with relevant court of jurisdiction of the Czech Republic, whereby the local jurisdiction shall be chosen in connection with the registered address of the Seller.

9. Final Provisions

- 9.1. A prerequisite for an acceptance of a lodged complaint is the acceptance made by AG CHEMI GROUP s.r.o. Unless herein otherwise provided, the moment of supplying new Merchandise is the moment of acceptance of the lodged complaint.
- 9.2. If a written agreement made between this Seller and this Buyer sets forth any matters differently from the terms and conditions set forth in this Complaint Regulation, then such provisions of the written agreement shall supersede any provision of this Complaint Regulation.
- 9.3. This Complaint Regulation is drafted in Czech and English language; in case of any discrepancy or when interpreting the meaning of any term the Czech language version shall prevail.
- 9.4. Any matter not specifically defined in this Complaint Regulation shall be subject to the laws of the Czech Republic, especially the Civil Code. This Complaint Regulation comes into force and effect on the day it is signed by a person authorized to do so on behalf of AG CHEMI GROUP s.r.o. In case of publication hereof on the web portal of AG CHEMI GROUP s.r.o. this Complaint Regulation comes into force and effect on the second day after such publishing. Any later version of this Complaint Regulation automatically derogates the Complaint Regulation issued on a preceding date. Legal relationships shall always be analysed in accordance with the Complaint Regulation in legal effect as on the day of the arising of the legal relationship.

Prague, this (date) 2016

AG CHEMI GROUP s.r.o.
Igor Ševčenko, Director